



OFFICE OF PUBLIC INSURANCE COUNSEL

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Interim Charge #1:

Senate Bill 1264 Prohibition on Balance Billing

SB 1264, which prohibits balance billing (surprise billing) and creates an arbitration system to settle balance bills. Monitor the implementation of the mediation and arbitration programs, including the establishment of a portal on the TDI website through which requests for mediation and arbitration may be submitted. Determine whether the appropriate state agencies are enforcing the prohibition on balance billing. Review the Department's rules implementing the legislation's exception for non-emergency "elective" services to determine whether the rules limit the exception to out-of-network services that a patient has actively elected after receiving a complete written disclosure. Monitor or follow up on TDI's process for selecting the benchmarking database and determine whether the database chosen provides the most accurate available data and its sources are transparent. Evaluate the fiscal impact of the legislation on the Employees Retirement System of Texas and the Teachers Retirement System of Texas. Review costs to the systems and savings to employees and teachers.

Office of Public Insurance Counsel (OPIC) Response:

Since most of SB 1264 is not within OPIC's jurisdiction, the agency did not comment on most of the rules proposed by the Texas Department of Insurance (TDI) to implement the legislation and does not have updated information to offer the Committee about the impact of the legislation. OPIC did, however, comment on a portion of the proposed rules related to consumer protection, asking TDI to adopt a disclosure for the nonemergency exception that was written in plain language and provided to the consumer in time for the consumer to make an informed decision on whether to proceed in getting out-of-network care. TDI's inclusion of the requirement that the notice be given at least ten business days before the service or supply is provided, as well as the use of the prescribed form language in Form AH025, addressed both of our concerns.